

**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2021-116-S – ORDER NO. 2021-\_\_\_\_  
\_\_\_\_\_,2021**

IN	<b>Petition of Palmetto Utilities,</b>	)	<b>ORDER</b>
RE:	<b>Incorporated for Leave to</b>	)	
	<b>Substitute Bond for Letter of</b>	)	
	<b>Credit and Request for Waiver</b>	)	
	<b>or Notice by Publication, and a</b>	)	
	<b>Request for Expedited Review</b>	)	
		)	

**I. INTRODUCTION**

This matter comes before the Public Service Commission of South Carolina ("Commission") on the Application of Palmetto Utilities, Inc. ("PUI" or "Company"). By its Application, PUI requests leave to substitute a Performance Bond for the Letter of Credit ("LOC") now on file with the Commission as security for the performance of PUI's obligation to provide wastewater service as a public utility.

**II. PROCEDURAL HISTORY**

PUI filed its verified Application with the Commission on March 29, 2021. PUI was represented by Charles Terreni, Esquire. The South Carolina Office of Regulatory Staff ("ORS"), a party of record pursuant to S.C. Code Ann. § 58-41-10(B) (Supp. 2019), was represented by Jeffrey M. Nelson, Esquire. The Company requested expedited consideration of its application without publication of notice. PUI's letter of credit expires April 30, 2021 and the Company seeks to avoid interruption of security for its operations.

**III. EVIDENCE OF RECORD**

According to its verified Application, PUI is a Class A Wastewater utility. It now has on file with the Commission a LOC in the amount of \$350,00, the maximum amount

provided for in the Commission's regulations. PUI proposes to post a Performance Bond in the same amount guaranteed by Atlantic Specialty Insurance Company, a national insurer rated "A+" by the AM Best agency. The ORS filed a review letter on April 1, 2021, stating no objection to the Company's request.

#### **IV. LAW**

A wastewater utility is required to have a performance bond on file with the Commission. S.C. Code Reg. § 103-512.3. The amount of bond:

"shall based on, but not limited to, the total amount of the following categories of expenses for twelve months: Operation and Maintenance Expenses, General and Administrative Expenses, Taxes Other Than Income Taxes, Income Taxes, and Debt Service including Interest Expenses. The minimum amount of the bond shall be \$ 100,000 and the maximum amount of the bond shall be \$ 350,000 based on the verified expenses of the utility for the preceding twelve-month period."

S.C. Code Reg. § 103-512.3.1

#### **V. DISCUSSION**

Based upon the evidence of record, PUI's request is reasonable and in the public interest. PUI proposes to substitute a performance bond in the maximum amount provided for in the Commission's regulations with a letter of credit in the same amount. The surety for the proposed performance bond is highly rated. Also, ORS does not object to PUI's request.

#### **I. FINDINGS OF FACT**

1. The Commission finds the proposed performance bond is for the maximum amount provided by the Commission's regulations and is consistent with the ORS' recommendation.

2. The proposed performance bond is backed by a sufficient surety with an A+ rating by a nationally recognized credit rating agency.

#### **VI. CONCLUSIONS OF LAW**

1. The Commissions concludes PUI's request to substitute the proposed performance bond for its letter of credit on file with the Commission should be granted.

2. The performance bond submitted by PUI satisfies the requirements of S.C. Code Reg. § 103-512.3.1.

3. Expedited consideration of this application is appropriate. Neither published notice nor a hearing are required by the Commission's regulations or precedent.

#### **ORDERING PROVISIONS**

#### **IT IS THEREFORE ORDERED:**

1. The Application of Palmetto Utilities, Inc.. to substitute a performance bond for its letter credit is approved.

2. Palmetto Utilities, Inc. shall deliver a performance bond with original signatures to the Commission within seven days of this Order.

3. This Order shall remain in full force and effect until further order of the Commission.

**BY ORDER OF THE COMMISSION**

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Justin T. Williams, Chairman  
Public Service Commission of  
South Carolina